

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0781-03
Bill No.: SCS for HCS for HB 161
Subject: Cities, Towns, and Villages; Counties; Motels and Hotels; Taxation and Revenue
Type: Original
Date: May 6, 2011

Bill Summary: This proposal modifies provisions of law regarding transient guest taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Kansas City** and the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Sections 67.1000, 67.1002, 67.1003

Oversight assumes this proposal allows certain cities and counties to impose a transient guest tax of up to five percent for the promotion of tourism and for the funding of a convention and visitors bureau. This proposal would also allow cities of the third classification with more than two thousand five hundred hotel and motel rooms in a county of the first classification impose a transient guest tax of not more than one-half percent that is not subject to the anti-stacking provisions. **Oversight** assumes the tax could not be implemented without voter approval and therefore, this proposal, would be permissive and would have no state or local fiscal impact.

Oversight assumes this proposal will prohibit certain cities and counties from stacking the transient guest taxes that are adopted for the promotion of tourism and for funding a convention and visitors bureau. Oversight assumes the cities and counties that have adopted transient guest taxes prior to August 28, 2011, will not be effected by the proposal. Therefore, Oversight will reflect a zero cost to state and local governments.

Section 67.1006

In response to a prior version of the bill (0781-01), officials from the **County of Pettis** assumed the proposal would have a positive financial impact to the county.

Oversight assumes this proposal changes the guest tax from \$2 per room per night to up to 5% that any county imposing a tax under this section may charge a guest of hotels and motels and other businesses that offer sleeping rooms. Oversight assumes the tax could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

ASSUMPTION (continued)

Section 67.1008

Oversight assumes this proposal would increase the number of members from five to seven that would serve on a Tourism Commission. Oversight assumes the members would receive no compensation; therefore, Oversight will reflect a zero cost to local government.

Section 94.900

Officials from the **City of St. Joseph** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact unless the governing body would request the voters of their city approve the imposition of a sales tax. Should the voters approve the imposition of a sales tax, the city could expect revenue to be generated and there would be costs for improving the public safety of the city. Oversight assumes the Department of Revenue would collect the sales tax and retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

Oversight assumes the "City Public Safety Sales Tax Trust Fund" balance would be either a positive unknown or zero.

Oversight has no way to determine if the city would receive voter approval to impose a public safety sales tax; therefore, for the purposes of this fiscal note fiscal impact will be shown as zero.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

KG:LR:OD

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

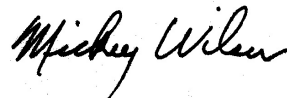
SOURCES OF INFORMATION

County of Pettis
City of Kansas City
Department of Revenue

NOT RESPONDING

Cities of: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kirksville, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring, West Plains

Counties of: Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, Webster



Mickey Wilson, CPA
Director
May 6, 2011